NO.15 CONFIDENTIAL ARA - Mr. Rubottom R (22)

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ARA - Mr. Rubottom March 15, 1960

REA - Harry R. Turkel

Termination of Preferential Commercial Relations with Cuba

On February 25, just prior to your departure with the President on the South American trip, I told you that we had 4 different versions for a note terminating preferential commercial relations with Cuba and said I would hold it in suspense.

You replied that we should finish the study to be undertaken by the Department of Commerce on the value of the preferences. This has been done.

I have also revised the simplest form of the note (which I prefer) so as to incorporate a new idea. This would be a halfway step between doing nothing and outright termination. The idea is <u>suspension for 2 years by mutual consent</u>.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY D. ZISCHKE DATE 11/9/81
RDS☐ or XDS☐EXT. DATE
TS AUTH. REASON(S)
ENDORSE FOREIGN MARKETING ☐
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ARA:REA:HRTurkel:gv

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HRTurkel

Excellency:

I have the honor to refer to the views expressed in Your Excellency's note of November 13, 1959 and on several occasions subsequently, that the preferential economic relations which have existed between Cuba and the United States have not been of advantage to your country.

It is my Government's view that the historic preferential commercial relations between the two countries have been of considerable mutual benefit, and that the high standard of living existing in Cuba as compared with other countries producing similar commodities owes much to these close ties. Accordingly, it is regretted that Your Excellency's Government does not share this view.

My Government does not wish to continue a relationship which Your Excellency's Government clearly considers to be disadvantageous to it, and hence, proposes that the two Governments consult with a view to giving each other simultaneous notice of an intention to terminate as promptly as possible the commercial conventions, the reciprocal trade agreement, and other agreements providing for preferential treatment.

It may be possible that on mature reflection, Your Excellency's Government will decide that outright termination may be too abrupt a step to take without testing the operation of this course of action. If this is so, my Government would be prepared to consult with representatives of Your Excellency's Government with a view to suspending the foregoing treaties and agreements for a period of two years, in lieu of terminating them.